

OVERVIEW OF KEY PUBLIC SAFETY & HOMELAND SECURITY REGULATORY ISSUES

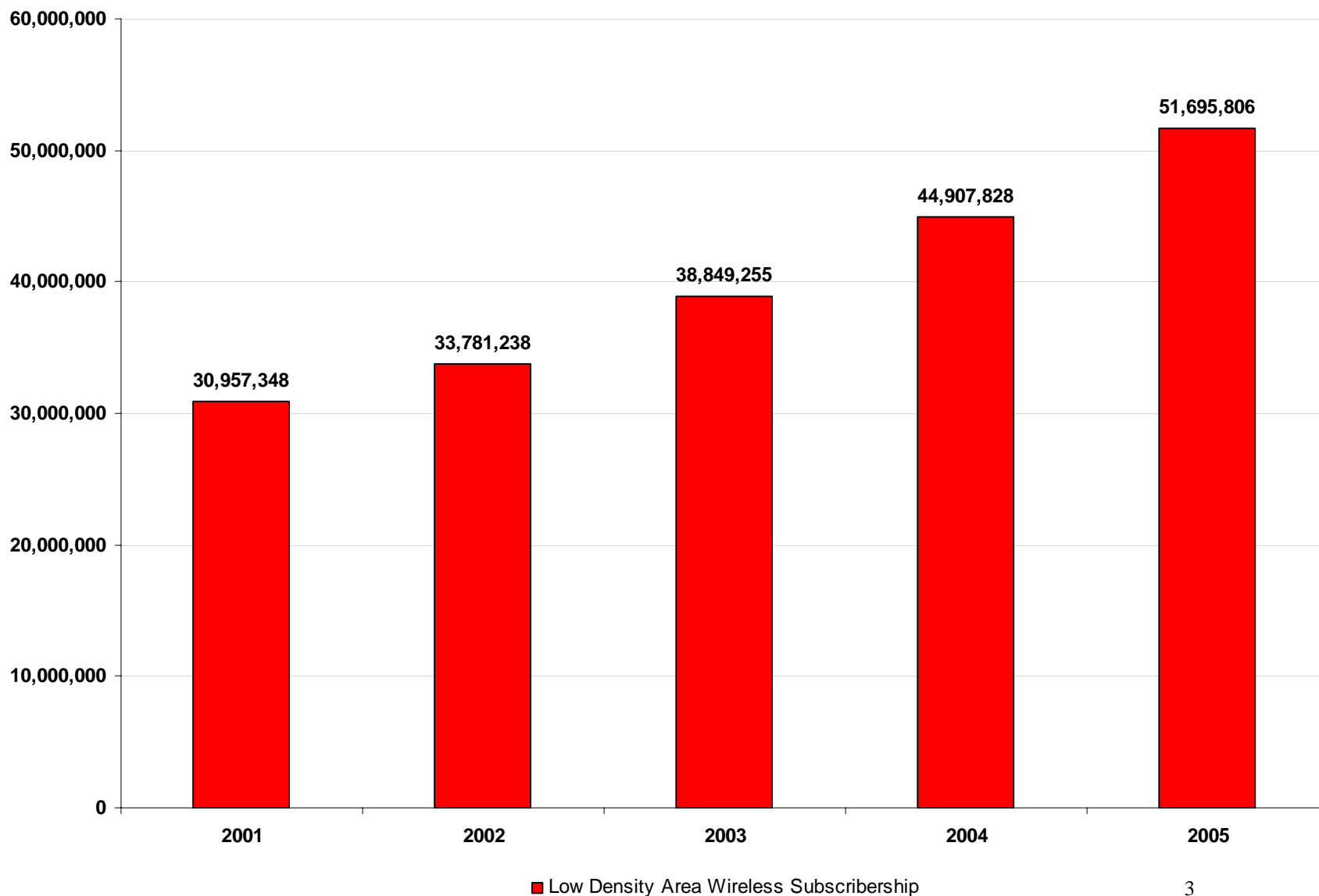
Presentation to
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CTIA – The Wireless Association®
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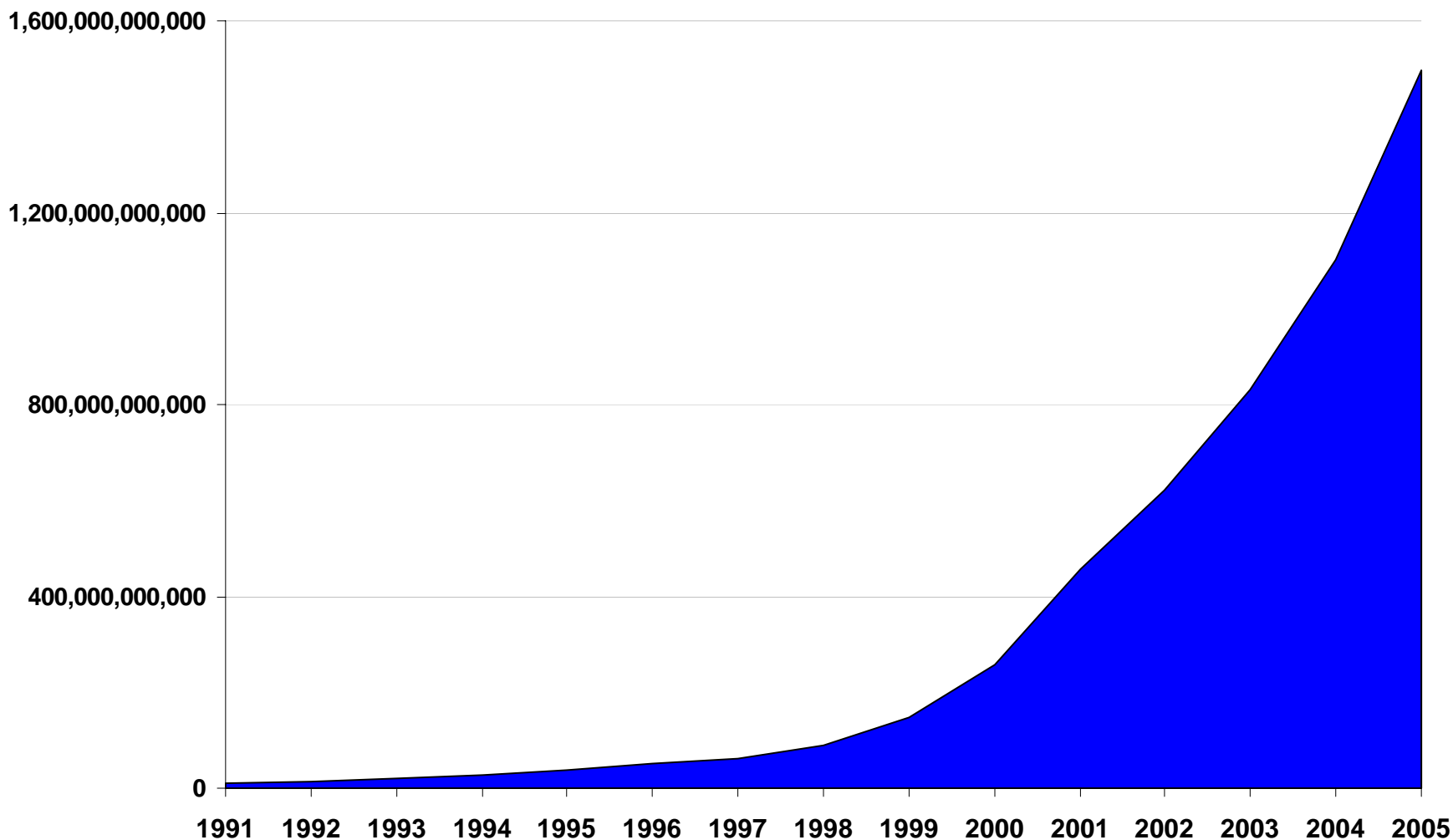
THE U.S. WIRELESS INDUSTRY

- There are now more than an estimated 236 million wireless subscribers nationwide.
- The FCC has found that 98% of Americans live in counties in which three or more wireless service providers offer services.
- Wireless minutes of use reached 1.8 trillion for 2006.
- The average wireless customer has approximately 740 minutes of use per month.

Total Estimated Rural Wireless Subscribership



Wireless Minutes of Use Have Consistently Climbed in Double-Digits Year-over-Year



The Growth of Wireless-only Households

- National Center for Health Statistics has been tracking the growth of wireless-only households over the past three years – including year-to-year trends, and the different distribution of such households across the country. As of Jan.-June 2006:
 - About 10.5% of households do not have a traditional landline telephone, but do have at least one wireless telephone. About 9.6% of all adults (21 million) and 8.6% of all children (>6 million) live in households with only wireless telephones.
 - Across all age groups, individuals living in poverty are more likely than higher income individuals to be living in households with only wireless telephones (15.8%).

The Growth of Intermodal Competition

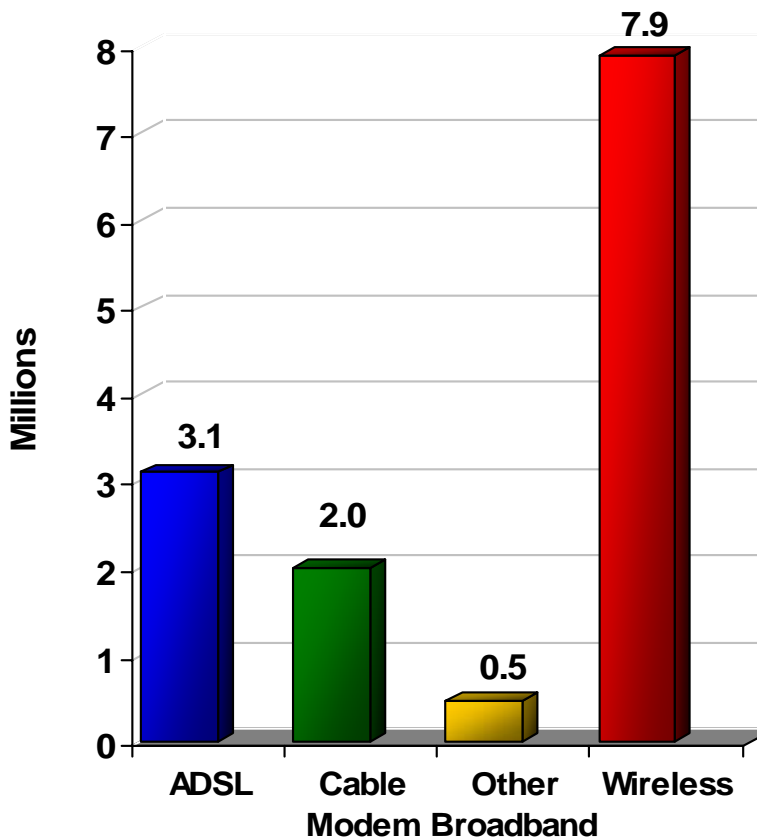
- If forced to choose, a majority of consumers would keep their wireless phone service instead of their landline phone service. This survey would not include the approximately 10.5% of households that have already chosen to be wireless only.
 - Question: "If you could keep one service, would you keep your cell phone service or your home landline phone service?"

Source: MyWireless.org® National Consumer Survey (conducted March 6-8, 2007).

High-Speed Line Growth

- In 1H06, total high-speed lines grew 26%, from 51.2 million to 64.6 million lines, and 59% of all adds were mobile wireless subscriptions.
- From June 2005 to June 2006:
 - ADSL's share of total broadband lines fell from 38% to 35%,
 - Cable modem's share fell from 56% to 44%.
 - Mobile wireless' share of total broadband lines rose from 1% to 17% of total broadband lines.
 - The share of "other" forms of broadband (including fixed wireless, satellite, fiber, and broadband over power line) remained at 4% of total broadband lines – although their total line count grew 39%.

High Speed Net Adds by Type, Dec. 2005 – June 2006



Sources: FCC Report on "High-Speed Services for Internet Access," Jan. 2007.

Interoperability

- The wireless industry does not question the need for a nationwide, interoperable wireless broadband public safety network.
 - CTIA strongly supported the DTV legislation that allocated 24 MHz of spectrum in the 700 MHz band for public safety.
 - Public safety will have access to nearly 80 MHz of additional spectrum in the next few years.
- Spectrum is only part of the answer.
 - Need to coordinate Local, State, Federal, NTIA, FCC, DoD.
 - Must address issues involving multiple spectrum bands, legacy equipment, funding and standardization.

What is Needed

- What is needed is a framework to ensure that the needs of Public Safety operability and interoperability are met.
- What role can commercial operators play?
- Enhance commercial networks instead of deploying new networks?
 - Underlying capabilities of the commercial networks can support most of the needs and requirements for public safety
 - Joint public safety/industry effort is required for the definition and implementation of all public safety requirements
 - Future interoperability and convergence between networks
 - Public Safety would benefit from economies of scale/scope and innovation.

700 MHz Auction

- CTIA stresses the importance to Public Safety and Commercial Wireless Providers to keep 700 MHz auction on schedule and will work with the FCC to ensure this occurs.
 - Prospective bidders need certainty as to the timing of the auction and the regulatory environment for 700 MHz. We are concerned that some proposals would undermine that goal.
 - Congress carefully weighed the respective needs of the public safety and commercial mobile communities in the 700 MHz band.
 - This includes \$1 billion for development of an interoperable public safety network.
- Public / Private Partnerships may be workable under the right conditions.
- CTIA has significant concerns regarding several issues raised in FNPRM, namely:
 - Onerous geographic buildout requirements;
 - Incumbent eligibility restrictions;
 - Frontline proposal;
 - Ad Hoc Public Interest Spectrum Coalition's 30 MHz open access proposal.
- CTIA opposes the Cyren Call proposal for reallocation of 700 MHz spectrum.

Wireless Emergency Alerts

- CTIA and numerous CTIA members are working with the FCC's Commercial Mobile Service Alert Advisory Committee to implement the WARN Act governing CMRS providers' voluntary transmission of emergency alerts.
 - Within 1 year after enactment, the Advisory Committee must submit recommendations to the FCC for protocols and technical standards through which "electing" CMRS providers receive, verify, and transmit alerts.
 - The Advisory Committee must also develop recommendations for a process under which a CMRS provider can elect to transmit alerts even if not all of its subscriber devices can receive them or the provider cannot offer alerts throughout its service territory.
 - Within 180 days after receiving these recommendations, the FCC shall adopt standards and protocols based on the recommendations "to enable commercial mobile service alerting capability" for CMRS providers that voluntarily elect to transmit emergency alerts.

Enhanced 911 Accuracy

- Wireless carriers have spent billions of dollars deploying advanced E-911 systems.
- Less than 10 years ago, 911 calls could only be made from your home, office or a pay phone, not at the location of the incident.
- There is no existing geographic area accuracy measurement rule for the FCC to interpret/clarify.
- The Commission intentionally declined to adopt a rule governing accuracy and left the matter to the parties working together and to informal staff guidance.
 - FCC repeatedly has made clear that its rules do not impose *any* particular geographic area requirement for accuracy compliance testing, much less PSAP-level testing.
- If the FCC now wants a geographic area accuracy measurement rule, it must go through notice and comment rulemaking and develop a record to justify its methodology.

Wireless Priority Service

- White House directed initiative – 8 months to bring to market.
- Ensures key personnel are given access to wireless networks during disasters when communications networks become congested.
- The process for establishing and deploying WPS is a model for joint government/industry partnerships.

Business Continuity/Disaster Recovery

- CTIA has initiated a voluntary Business Continuity/Disaster Recovery Certification Program
- The program includes ten areas for carriers to address including:
 - Project Initiation and Management
 - Risk Evaluation and Control
 - Awareness and Training Programs
 - Coordination with External Agencies
- How can the wireless industry work with the FCC to further these goals?